

## 280 - AIRPORT - OPERATING ENTERPRISE

### Operational Summary

#### Mission:

The mission of John Wayne Airport is to plan, direct, and provide high quality aviation services and facilities for Orange County in a safe, secure and efficient manner.

#### Strategic Goals:

- Maintain a safe and secure environment for aviation and the traveling public.
- Provide a positive aviation experience to travelers and tenants.
- Operate in an environmentally responsible manner.
- Operate as a financially efficient and self-supporting aviation facility.
- Continue planning for and implementation of the Settlement Amendment Implementation Plan (SAIP)

#### Key Outcome Indicators:

Performance Measure	2004 Business Plan Results	2005 Business Plan Target	How are we doing?
<b>SUCCESSFULLY PASS THE ANNUAL PART 139 AIRPORT CERTIFICATION INSPECTION.</b> <b>What:</b> Annual inspection conducted by FAA to ensure JWA is being operated in a safe and efficient manner. <b>Why:</b> To maintain a safe operating environment for aviation and the traveling public.	The Annual Part 139 inspection is conducted by the FAA during which time all elements specified in Federal Aviation Regulation (FAR) Part 139 are examined. JWA successfully passed the Annual Part 139 inspection.	Successfully pass the Annual Part 139 Inspection by continuing to perform twice daily airfield inspections and identify, report and correct any items that deviate from FAA specifications.	We have consistently passed the Annual Part 139 Inspection.
<b>COMPLY WITH TSA SECURITY REGULATIONS AND THE AIRPORT SECURITY PLAN.</b> <b>What:</b> TSA regulations mandate security elements at each airport to comply with federal requirements. <b>Why:</b> Accomplishes the necessary passenger and facility security and complies with federal requirements.	All security directives and regulations were appropriately implemented and the Airport passed the annual TSA Security Inspection in October 2004.	Comply with Transportation Security Administration security regulations and the Airport Security Plan.	JWA insured the security requirements of TSA Regulation 1542 were integrated into its Security Plan and fully complied with the regulation specifics, which mandate airport responsibilities for security measures including building security, perimeter security, and badging security systems.
<b>% OF GOOD OR EXCELLENT OVERALL RATING IN THE "AIR TRANSPORTATION USER" AND "AIRPORT TENANT" SURVEYS.</b> <b>What:</b> Surveys conducted to measure passenger/tenant satisfaction with Airport's service and performance. <b>Why:</b> To ensure that our service to customers and tenants meets or exceeds their expectations.	The survey of Airport Tenants was conducted in October 2004. 89 percent of respondents rated their overall relationship with John Wayne Airport as "Very Satisfied" or "Satisfied."	Conduct "Airport User" survey to identify user perception of and recommendations for improving Airport facilities and services.	We have consistently been rated good or excellent by a significant majority of users and tenants.

#### At a Glance:

Total FY 2004-2005 Actual Expenditure + Encumbrance:	77,006,135
Total Final FY 2005-2006	132,565,761
Percent of County General Fund:	N/A
Total Employees:	164.00

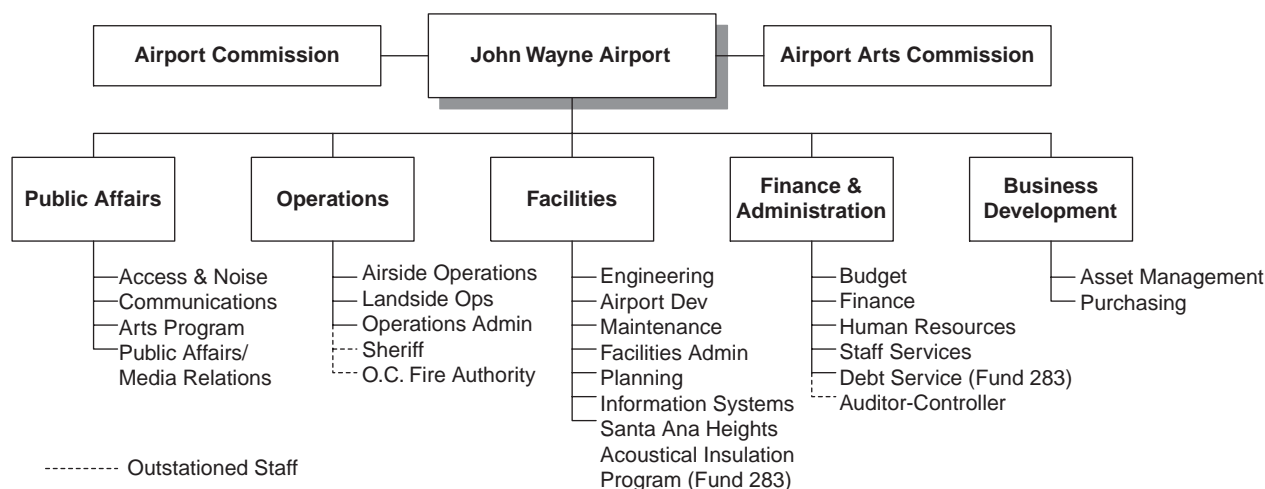
## Key Outcome Indicators: (Continued)

Performance Measure	2004 Business Plan Results	2005 Business Plan Target	How are we doing?
<b>ENFORCE ALL PROVISIONS OF THE PHASE 2 COMMERCIAL AIRLINE ACCESS PLAN AND REGULATION.</b> <b>What:</b> Balances need for airport with desire of community for environmentally responsible operation at JWA. <b>Why:</b> Compliance conveys message that County will completely fulfill its commitment to its residents.	100 percent compliance with Plan allocation provisions.	Continue to maintain 100 percent compliance.	The provisions of the Phase 2 Commercial Airline Access Plan, other than the allocation provisions that have been amended, became effective on October 1, 1990. Since the Plan's implementation, the County has been in 100 percent compliance of its duties and responsibilities.
<b>ENSURE ALL REQUIRED ENVIRONMENTAL PERMITS ARE IN PLACE AND IN GOOD STANDING.</b> <b>What:</b> Balances need for airport with desire of community for environmentally responsible operation at JWA. <b>Why:</b> Compliance required under Federal, State and local laws and regulations.	All environmental regulatory requirements are in place and in good standing. Substantial progress was made toward closure of clean up and abatement order sites. Completed update of storm water pollution prevention plan and monitoring program.	Continue to maintain 100 percent compliance.	JWA continuously meets all environmental regulatory requirements.
<b>CONTINUE A DEBT SERVICE COVENANT OF AT LEAST 175 PERCENT.</b> <b>What:</b> Requires Airport net revenues each year of at least 125% of debt service requirement for FY. <b>Why:</b> Provides JWA with opportunity to demonstrate to financial community its ability to repay debt.	Successful management of the Airport's rates and charges structure is critical to generate revenue required to fulfill JWA's obligations under the indenture. The debt coverage ratio for FY 03-04 was 237 percent.	Continue to maintain 100 percent compliance.	Since issuance of the 1987 Airport Revenue Bonds, JWA has consistently exceeded the rate covenant imposed by indenture. Current credit ratings for the Airport are Aa3, A+, and A+ respectively from Moody's, Standard & Poor's and Fitch.
<b>MAINTAIN AN INVESTMENT GRADE BOND RATING.</b> <b>What:</b> A credit rating is an opinion of an issuer's overall ability to pay its financial obligations. <b>Why:</b> Such an opinion focuses on JWA's ability to meet its financial obligations as they come due.	JWA successfully maintained an Aa3, A+, and A+ rating from Moody's, Standard and Poor's, and Fitch respectively on all outstanding bonds.	Continue to maintain our very high bond ratings.	JWA's ratings continue to be among the highest when compared to airports of similar size.
<b>MAINTAIN A DIVERSE BASE OF REVENUE, DRAWING FROM BOTH AERONAUTICAL AND NONAERONAUTICAL SOURCES.</b> <b>What:</b> Revenue from food and beverage, news and gifts, taxi and shuttle, parking and rental cars. <b>Why:</b> A variety of revenue sources brings financial diversity and stability to JWA's financial base.	The financial condition of the airline industry remains tenuous due to high fuel costs and depressed revenues. Increases in passenger activity contributed to a 9 percent increase in FY 03-04 operating revenue over FY 02-03. 56 percent of operating revenue was generated from nonaeronautical sources.	Maintain at least 51 percent of Airport revenue from nonaeronautical sources.	64 percent of FY 04-05 revenue was generated from nonaeronautical sources.
<b>PREPARE AND PRESENT TO THE BOARD OF SUPERVISORS A COMPREHENSIVE SAIP DEVELOPMENT PLAN.</b> <b>What:</b> The SAIP will significantly enhance the level of service and provide capacity improvements at JWA. <b>Why:</b> The proposed terminal modernization/expansion program offers an opportunity to meet future demand.	This is a new indicator for FY 05-06.	Prepare and present to the Board of Supervisors a comprehensive SAIP development plan, to include operations, schedule, financing and communications.	The Airport is currently in the planning stage of the terminal modernization and expansion program known as the SAIP.

## FY 2004-05 Key Project Accomplishments:

- JWA served over 9.1 million passengers in 2004, representing the highest annual count in Airport history.
- The Airport successfully passed its annual Part 139 Certification Inspection.
- The Airport ensured that TSA security regulations were integrated into its Aviation Security Plan and achieved full compliance with required security measures.
- The Airport has completed construction of two new temporary hold rooms (located just outside Gates 1 and 14) to accommodate additional passenger load and commuter activity.
- The Airport completed and presented Final Supplemental Environmental Impact Report #582 to the Board of Supervisors. Certification of FSEIR582 in October 2004 provides the environmental foundation for implementation of the SAIP.
- The Airport completed construction of a new Aircraft Rescue and Fire Fighting Station (ARFF #33). The facility opened in May 2005.
- JWA's web site was completely redesigned to provide additional and easier access to information regarding the Airport.

## Organizational Summary



**Public Affairs** - Responsible for public information and media relations. Provides implementation and enforcement of Phase 2 Access Plan and Settlement Agreement. Responsible for the interaction with federal, state and local agencies regarding legislation. Coordinates and monitors environmental activities. Oversees the Airport Communications Operator function. Administers the Airport Arts Program.

**Operations** - Coordinates and administers the general functional activities related to John Wayne Airport including airport security, parking, ground transportation, liaison with commercial airline tenants, fixed-base operations, and aircraft tiedown facilities. Monitors airfield operations including enforcement of Airport rules and regulations. Administers outstationed departments such as the Sheriff-Coroner and Fire Authority for provision of law enforcement, aircraft rescue and firefighting.

**Facilities** - Provides engineering studies and analysis of facility requirements for the Airport. Responsible for all aspects of Airport facilities maintenance and information systems. Provides planning and project management of the capital development program, including the design and con-

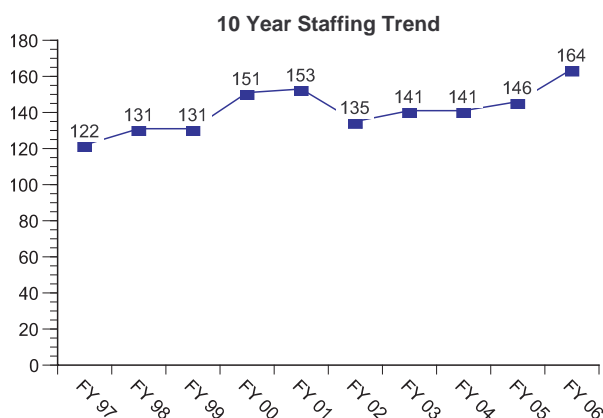
struction of Airport facilities. Ensures compliance of Airport facilities with environmental regulations. Prepares grant applications for federal financial assistance under the FAA Airport Improvement Program. Provides staff support to the Airport Land Use Commission.

**Finance & Administration** - Responsible for Airport finance, budget, debt management, staff services, administrative support and human resources. Provides staff support to the Airport Commission. Responsible for all airport rates and charges preparation and coordinates Airline Affairs Committee meetings. Includes outstationed Auditor-Controller staff that provide accounting and financial services, and monitor Airport revenue and expenditures.

**Business Development** - Coordinates and is responsible for concession planning and revenue development activities and the negotiation and administration of leases, licenses, concession agreements and easements. Responsible for the acquisition and sale of real property and related property appraisal and condemnation issues. Coordinates with the Finance and Administration division on the annual audit and record survey of Airport tenants. Responsible for all aspects of Airport procurement including preparing bid/proposal solicitations, issuing agency contracts, interfacing with vendors, maintaining a record of department purchases and conducting internal procurement value analysis. Administers the Disadvantaged Business Enterprise (DBE) Program.

**John Wayne Airport Director** - Includes the office of the Airport Director and outstationed County Counsel who provides legal counsel on County and Airport matters.

### Ten Year Staffing Trend:



### Ten Year Staffing Trend Highlights:

- The Airport has realized a substantial increase in workload due to implementation of federally mandated security regulations, growth in operational and passenger capacity and planning for the Settlement Amendment Implementation Plan (SAIP). Eighteen new positions were added in FY 05-06, including one Staff Assistant, two Administrative Manager II, one A/E Project Manager, one Sr. A/E Project Manager, two Airport Professional Project Managers (Sr. Civil Eng.), two Building Inspectors, one Administrative Manager I, one Plumber, one Airport Maintenance Supervisor, four Shop Planners, one Airport Operations Supervisor, and one Office Specialist.
- Five new positions were added in FY 04-05, including one Procurement Contract Specialist, one Staff Specialist, two Facilities Mechanics and one Air Conditioning mechanic.
- Six new positions were added in FY 02-03, including one Information Systems Manager, one Staff Specialist, two Electronics Technicians, one Staff Analyst III, and one Real Property Agent II.
- The 18 positions which were added in FY 99-00 for Interim Use were transferred mid-year FY 00-01 to the LRA (Fund 13K).
- Two positions were transferred mid-year FY 99-00, one from the CEO and one from PDSD; these are reflected in FY 00-01 position total.
- In FY 99-00 one position was transferred from the Auditor-Controller to John Wayne Airport to more appropriately reflect finance-related activities performed; one position was added to help manage the increased requirements in the Information Systems section; 18 positions were added for Interim Use pending further Board direction.
- In FY 97-98 four positions were deleted and 13 positions were added to reflect the impact of the County's decentralization of Real Property, Human Resources, Facilities, County Counsel and Purchasing activities.

## Budget Summary

### Plan for Support of the County's Strategic Priorities:

As an enterprise fund, John Wayne Airport is self-supporting through revenues it generates and receives no monies from the County General Fund. Revenues are utilized to operate the Airport, provide for repayment of revenue bonds, fund facility capital improvement or maintenance projects, and support aviation planning.

### Changes Included in the Base Budget:

Operating costs increased by \$3.7 million due to increased retirement costs, and professional services costs. Salary and benefit costs increased due to increases in retirement payoffs and new retirement rates. Professional services increased due to increases in Sheriff, parking operator (offset by additional revenues), legal services, accounting services and contracted services costs.

Non-operating costs increased by \$20.4 million due to increased capital spending for infrastructure improvements, projects supporting operational and passenger growth, and the co-generation project.

### Approved Budget Augmentations and Related Performance Results:

Unit Amount	Description	Performance Plan	Brass Ser.
<b>ADD 1 ADMINISTRATIVE MANAGER II FOR JWA QUALITY CONTROL AND COMPLIANCE PROGRAM</b> Amount: \$ 117,619	1 Administrative Manager II for JWA's Quality Control and Compliance Program.	Perform op. compliance & financial review to identify risk factors & identify process improvements.	1930
<b>ADD 4 SHOP PLANNER-ELECTRICAL/MECHANICAL POSITIONS</b> Amount: \$ 58,780	4 Shop Planner Electrical/Mechanical to handle the automated in-line Explosive Detection System.	Increase scheduled & completed work orders by 25%; accommodate maintenance needs on a 24-hr basis.	1926
<b>ADD 1 AIRPORT OPERATIONS SUPERVISOR POSITION</b> Amount: \$ 86,104	1 Airport Operations Supervisor position to provide full-time Operations oversight at JWA.	Enable JWA to schedule a duty supervisor to cover the currently uncovered 45 hours per pay period.	1927
<b>ADD 1 OFFICE SPECIALIST POSITION FOR ACCESS CONTROL/BADGING FUNCTION</b> Amount: \$ 42,276	1 Office Specialist for Access Control/Badging function to handle expanded workload since 9/11.	Timely processing of 3,300 badge applications & issuance of badges, as well as quarterly audits.	1928
<b>ADD 1 ADMINISTRATIVE MANAGER I POSITION FOR CAPITAL IMPROVEMENT WORKLOAD</b> Amount: \$ 89,586	1 Admin. Manager I to support increased capital improvements and growth in regional development.	CEQA clearances done by JWA & NEPA clearances will be done for all projects on the Layout Plan.	1922
<b>ADD 1 PLUMBER POSITION</b> Amount: \$ 78,696	1 Plumber for prev. & corrective maintenance tasks that can only be done during the midnight shift.	Backlogged will be reduced to less than 400 hours & reduction in over time costs of \$15K/yr.	1924
<b>ADD 1 AIRPORT MAINTENANCE SUPERVISOR POSITION FOR MIDNIGHT SHIFT</b> Amount: \$ 79,960	1 Airport Maint. Supv for midnight shift to oversee preventive & corrective maintenance tasks.	Total overtime used by the Maintenance Department will not exceed \$80,000 per year.	1925
<b>ADD 1 ARCHITECT/ENGINEERING PROJECT MANAGER TO REPLACE CONTRACT POSITION</b> Amount: \$ 0	1 A/E Project Mgr to reduce reliance on outside consultants for managing capital improv. projects.	Adding this position will result in a cost savings of approximately \$97,000 per year.	1916
<b>ADD 1 SENIOR ARCHITECT-ENGINEER PROJECT MANAGER TO REPLACE CONTRACT POSITION</b> Amount: \$ 0	1 Sr. Architect-Engineer Project Manager to replace existing contract project manager.	Adding an in-house Senior A/E Project Manager position will save JWA approximately \$97,000 per year.	1917

## Approved Budget Augmentations and Related Performance Results: (Continued)

Unit Amount	Description	Performance Plan	Brass Ser.
<b>ADD 2 SENIOR CIVIL ENGINEER POSITIONS TO REPLACE CONTRACT POSITIONS</b> Amount:\$ 0	2 Sr. Civil Engineer pos. to replace contract positions managing the capital improvement program.	2 in-house Airport Professional Engineers will save the Airport approximately \$192,000 per year.	1920
<b>ADD 1 STAFF ASSISTANT FOR INCREASED INSURANCE WORKLOAD</b> Amount:\$ 48,640	1 Staff Assistant position to address increased insurance workload.	Decrease turn around time from day insurance is received to final approval - from 30 to 15 Days.	100
<b>ADD 1 ADMINISTRATIVE MANAGER II POSITION FOR FACILITIES OPERATIONS</b> Amount:\$ 0	1 Admin Mgr II to plan, organize & eval. all aspects of facilities management & engineering.	Oversee A&E design & consulting program; utilities ops & maintenance; and IT systems.	1915
<b>ADD 2 BUILDING INSPECTOR IV POSITIONS TO REPLACE CONTRACT POSITIONS</b> Amount:\$ 0	2 Building Inspector IV to manage the Airport's Capital Improvement Program (CIP).	Adding these positions will save approximately \$190,000 annually.	1973

## Final Budget History:

Sources and Uses	FY 2003-2004	FY 2004-2005	FY 2004-2005	FY 2005-2006	Change from FY 2004-2005	
	Actual Exp/Rev	Budget As of 6/30/05	Actual Exp/Rev <sup>(1)</sup> As of 6/30/05	Final Budget	Actual Amount	Percent
Total Positions	141	146	146	164	18	12.32
Total Revenues	91,083,912	114,766,804	113,872,382	132,565,761	18,693,379	16.42
Total Requirements	85,164,850	114,766,805	102,318,413	132,565,761	30,247,348	29.56
Balance	5,919,062	(1)	11,553,969	0	(11,553,969)	-100.00

(1) Amounts include prior year expenditure and exclude current year encumbrance. Therefore, the totals listed above may not match Total FY 2004-05 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: Airport - Operating Enterprise in the Appendix on page page 643

## Highlights of Key Trends:

- Due to the age of the terminal building and the growth in operational and passenger capacity, the Airport has proposed a substantial maintenance and capital project budget in an effort to ensure that general and restorative maintenance work is performed and for infrastructure improvements.
- Safety and customer service continue to be the priorities for, and the hallmark of, John Wayne Airport (JWA). In a successful partnership with both federal security and local law enforcement officials, the Airport remains committed to providing safe and secure facilities for commercial and general aviation operations. To fulfill this priority, the Airport has added two sergeant positions to its Sheriff operations and has also requested two additional JWA Operations positions.
- As a new way of doing business, the Airport is proposing to restructure project management to reduce reliance on outside contractors and to realize cost savings.
- Eighteen additional positions are being requested through Budget Augmentation to address increased workload issues.

**Budget Units Under Agency Control:**

No.	Agency Name	Public Affairs	Operations	Facilities	Finance & Administration	Business Development	John Wayne Airport Director	Total
280	Airport - Operating Enterprise	2,281,208	24,183,888	68,439,084	33,195,181	1,055,792	3,410,608	132,565,761
283	John Wayne Airport Debt Service	0	0	7,574,110	41,102,198	0	0	48,676,308
	<b>Total</b>	<b>2,281,208</b>	<b>24,183,888</b>	<b>76,013,194</b>	<b>74,297,379</b>	<b>1,055,792</b>	<b>3,410,608</b>	<b>181,242,069</b>



## 280 - Airport - Operating Enterprise

### Operation of Internal Service Fund Operational Statement for the Fiscal Year 2005-2006

Operating Detail		FY 2003-2004	FY 2004-2005	FY 2005-2006	FY 2005-2006
		Actual	Actual	Proposed Budget	Final Budget
(1)		(2)	(3)	(4)	(5)
<b>OPERATING REVENUE</b>					
6620	Rents and Concessions	77,289,351	82,164,244	81,787,931	81,787,931
7590	Other Charges for Services	13,261,532	13,260,088	12,738,435	13,340,096
<b>Total Operating Revenue</b>		<b>90,550,883</b>	<b>95,424,332</b>	<b>94,526,366</b>	<b>95,128,027</b>
<b>OPERATING EXPENSES</b>					
Salaries & Benefits					
0100	Salaries and Wages	(13,101)	20,386	0	0
0101	Regular Salaries	7,918,641	8,067,544	8,242,375	9,424,181
0102	Extra Help	60,953	213,377	201,844	0
0103	Overtime	233,490	286,193	186,500	186,500
0104	Annual Leave Payoffs	81,491	87,449	129,735	129,735
0105	Vacation Payoff	17,091	8,277	0	0
0106	Sick Leave Payoff	128,064	40,493	0	0
0107	Retiree Multi-Year Leave Balance Payoff	0	0	98,106	98,106
0110	Performance Incentive Pay	49,881	25,526	43,914	48,730
0111	Other Pay	57,257	69,487	69,328	69,328
0200	Retirement	859,584	1,164,312	1,378,012	1,567,562
0204	County Paid Executive Deferred Compensation Plan	8,444	8,121	7,788	7,788
0301	Unemployment Insurance	13,404	(12,529)	12,443	14,225
0305	Salary Continuance Insurance	26,138	26,329	28,238	30,524
0306	Health Insurance	912,475	903,874	983,952	1,073,892
0308	Dental Insurance	23,317	21,638	24,624	27,360
0309	Life Insurance	4,684	5,304	5,760	6,360
0310	Accidental Death and Dismemberment Insurance	876	938	1,092	1,344
0319	Other Insurance	75,534	71,553	72,312	81,672
0352	Workers Compensation - General	248,364	338,412	348,054	348,054
0401	Medicare	95,973	99,489	96,580	113,714
<b>Total Salaries &amp; Benefits</b>		<b>10,802,560</b>	<b>11,440,173</b>	<b>11,930,657</b>	<b>13,229,075</b>
Services & Supplies					
0600	Clothing and Personal Supplies	33,526	30,637	37,500	37,500
0700	Communications	48,863	46,464	231,685	231,685
0701	Telephone/Telegraph - Interfund Transfer	22,183	12,280	0	0
0702	Telephone and Telegraph - Other	169,852	224,589	0	0



## Operation of Internal Service Fund Operational Statement for the Fiscal Year 2005-2006

		FY 2003-2004	FY 2004-2005	FY 2005-2006	FY 2005-2006
Operating Detail		Actual	Actual	Proposed Budget	Final Budget
(1)	(2)	(3)	(4)	(5)	
1000	Household Expense	2,133,657	2,723,505	2,970,750	2,970,750
1100	Insurance	2,736,878	2,635,527	3,321,035	3,321,035
1300	Maintenance - Equipment	150,722	201,738	346,088	346,088
1400	Maintenance - Buildings and Improvements	3,986,526	3,527,726	6,117,931	6,117,931
1402	Minor Alterations and Improvements	790,250	296,263	700,000	700,000
1500	Medical, Dental and Laboratory Supplies	145	780	2,900	2,900
1600	Memberships	57,606	87,222	85,000	85,000
1800	Office Expense	199,191	201,722	580,528	580,528
1801	Duplicating Services (RDMD/ Reprographics)	15,790	23,655	0	0
1802	Periodicals and Journals	16,944	20,343	0	0
1803	Postage	31,265	21,755	0	0
1806	Printing Costs - Outside Vendors	482	8,280	0	0
1809	Minor Office Equipment to be Controlled	16,406	173,326	0	0
1900	Professional and Specialized Services	24,238,553	25,807,554	27,396,534	27,396,534
1901	Data Processing Services	65,052	72,238	0	0
1908	Temporary Help	24,561	6,112	0	0
1911	CWCAP Charges	681,212	574,742	0	0
2000	Publications and Legal Notices	24,360	14,794	25,800	25,800
2100	Rents and Leases - Equipment	121,936	215,873	538,700	538,700
2200	Rents and Leases - Buildings and Improvements	26,984	30,352	24,040	24,040
2300	Small Tools and Instruments	3,537	9,237	39,650	39,650
2309	Minor Small Tools/Instruments to be Controlled	7,323	0	0	0
2400	Special Departmental Expense	182,826	182,079	274,150	274,150
2405	Optional Benefit Plan	76,000	78,708	82,008	91,008
2600	Transportation and Travel - General	78,675	90,930	350,000	350,000
2601	Private Auto Mileage	4,998	4,421	7,850	7,850
2602	Garage Expense	238,583	302,624	0	0
2603	Executive Car Allowance	14,400	14,400	14,400	14,400
2700	Transportation and Travel - Meetings/ Conferences	25,219	20,040	45,300	45,300
2800	Utilities	2,527,827	2,570,193	3,300,000	3,300,000
Total Services & Supplies		38,752,333	40,234,109	46,491,849	46,500,849
Fixed Assets					
4000	Equipment	0	0	875,000	875,000
4200	Buildings and Improvements	0	0	45,665,909	44,960,152

## Operation of Internal Service Fund Operational Statement for the Fiscal Year 2005-2006

Operating Detail		FY 2003-2004	FY 2004-2005	FY 2005-2006	FY 2005-2006
		Actual	Actual	Proposed Budget	Final Budget
(1)		(2)	(3)	(4)	(5)
Total Fixed Assets		0	0	46,540,909	45,835,152
Miscellaneous					
5300	Depreciation	7,209,513	7,462,050	0	0
Total Miscellaneous		7,209,513	7,462,050	0	0
Total Operating Expenses		56,764,406	59,136,332	104,963,415	105,565,076
Net Operating Income (Loss)		33,786,478	36,288,000	(10,437,049)	(10,437,049)
NON-OPERATING REVENUE					
6530	Forfeitures and Penalties	148,363	165,675	201,475	201,475
6610	Interest	333,083	868,486	802,961	802,961
7110	Federal - Other	387,723	633,788	257,740	257,740
7130	Other Governmental Agencies	20,949	4,056	0	0
7662	Other Sales - Non-Taxable - Resale	569	380	0	0
7670	Miscellaneous Revenue	406,779	154,823	38,109	38,109
7680	Six-Month Expired (Outlawed) Checks	483	62	0	0
7690	Returned Check Charges	(5,914)	(1,710)	0	0
Total Non-Operating Revenue		1,292,036	1,825,560	1,300,285	1,300,285
NON-OPERATING EXPENSES					
1912	Investment Administrative Fees	28,345	36,713	0	0
3100	Contributions to Non-County Government Agencies	43	0	0	0
3700	Taxes and Assessments	50,605	56,039	50,000	50,000
5400	Loss or Gain on Disposition of Assets	3,682	(932)	0	0
Total Non-Operating Expenses		82,675	91,820	50,000	50,000
Net Non-Operating Income (Loss)		1,209,360	1,733,740	1,250,285	1,250,285
Income (Loss) Before Contributions & Transfers		34,995,838	38,021,740	(9,186,764)	(9,186,764)
CAPITAL ASSETS					
4000	Equipment	313,273	1,308,649	875,000	875,000
4200	Buildings and Improvements				
	P626 Contingency Funds	0	0	2,200,000	2,200,000
	P640 PM Consultant Services	0	0	1,300,000	750,159
	P662 Maintenance Building	45,506	21,450	3,332,500	3,332,500
	P663 Fire Station #33 Remodel	3,087,854	4,008,127	10,000	10,000
	P664 Terminal - Fire Alarm System	398,888	100,317	0	0
	P793 Seismic Remediation	190,999	1,223	0	0
	P794 Security Modifications - Terminal Building	519,220	98,490	0	0

## Operation of Internal Service Fund Operational Statement for the Fiscal Year 2005-2006

Operating Detail (1)	FY 2003-2004 Actual (2)	FY 2004-2005 Actual (3)	FY 2005-2006 Proposed Budget (4)	FY 2005-2006 Final Budget (5)
P810 Comm. Infra-Structure Staging Plan Study	15,131	0	0	0
P811 Communications Infra-Structure Improvement	2,876	19,716	2,000,000	2,000,000
P812 Reconst Landing Surface-Runway 19R/L	523,808	14,459	0	0
P813 Seismic Retrofit Terminal Building	221,170	8,589	600,000	600,000
P817 Parking Upgrade Study	595	6,113	1,000,000	1,000,000
P823 Stabilize Bristol Street Slope	0	0	800,000	800,000
P827 Terminal Curbside Check-In Modification	7,753	(5,793)	0	0
P830 Geotech Architectural and Engineering Service	364,779	(299,023)	300,000	144,084
P831 Realignment of Taxiway 'G'	(11,097)	0	0	0
P834 Seismic Remediation - Elevated Roadways	60,642	2,444	50,000	50,000
P841 Reconstruct Perimeter Road West	901,576	1,240,864	0	0
P845 Rehabilitation of Seven Jetways	351	0	0	0
P849 Ground Transportation Center Elevator	29,417	723,426	0	0
P853 Illuminate Pedestrian Crossing - Lower Roadwa	648	0	0	0
P858 General Aviation Tiedown - East Side	709	0	0	0
P865 Flush Mount Fire Hydrant Retrofit	179,599	1,183,335	0	0
P866 Lower Terminal Floor Rehabilitation	272,786	0	0	0
P867 Wireless Communication/Terminal Building	4,963	1,036	0	0
P871 Pavement Repair and Maintenance - 2001	195,228	0	0	0
P881 Rehabilitate Taxiway 'E'	147,016	2,798,305	10,000	10,000
P885 Remodel Terminal Restrooms	87,285	850,213	0	0
P891 Parking Structure Energy Conserv Lighting Sys	4,473	0	0	0
P893 Terminal Building FIDS/BIDS Upgrade	11,890	1,404	245,000	245,000
P897 Modification Terminal Baggage Claim/Tunnel Do	215,355	(6,993)	0	0
P898 Structural Security Modification - Phase I	4,268,481	3,427,594	0	0
P901 Paularino Gate/Guard Shelters	16,474	99	600,000	600,000
P907 Pavement Repair and Maintenance - 2002	538	0	0	0
P910 Electric Generation Plant	1,632,895	2,410,074	11,000,000	11,000,000

## Operation of Internal Service Fund Operational Statement for the Fiscal Year 2005-2006

Operating Detail	FY 2003-2004	FY 2004-2005	FY 2005-2006	FY 2005-2006
(1)	Actual	Actual	Proposed Budget	Final Budget
(2)	(3)	(4)	(5)	
P911 Settlement Agreement Implementation Plan (SAI)	0	0	10,000	10,000
P915 CAP Enhancement - New SORON	21,311	1,103,634	16,525,200	16,525,200
P916 K-9 Facility	2,528	0	0	0
P928 Terminal Building HVAC Rehab - PHS I	0	0	500,000	500,000
P931 Cute/Supporting Infrastructure	0	0	700,000	700,000
P932 Gate 14A Passenger Holding Area	678,082	4,377	0	0
P933 Relocate Terminal Emergency Generators	0	0	400,000	400,000
P935 Terminal Recarpet - Upper Level	0	22,500	1,200,000	1,200,000
P938 Terminal Bldg Fire Code Upgrade - Elevators	0	0	1,133,209	1,133,209
P943 GTC - Waterproof Planters	0	0	350,000	350,000
P947 Uninterrupted Power Supply	0	0	250,000	250,000
P952 Gate 1A Temp Pass Waiting Area	0	1,077,730	0	0
P955 Airport Telephone Switch	0	0	450,000	450,000
P958 Passive Antenna System	0	0	700,000	700,000
<b>Total Buildings and Improvements</b>	<b>14,099,727</b>	<b>18,813,710</b>	<b>45,665,909</b>	<b>44,960,152</b>
<b>Total Capital Assets</b>	<b>14,413,000</b>	<b>20,122,359</b>	<b>46,540,909</b>	<b>45,835,152</b>

### STATEMENT OF CHANGES IN NET ASSETS - UNRESTRICTED

Income (Loss) Before Contributions & Transfers	34,995,838	38,021,740	(9,186,764)	(9,186,764)
7805 Capital Contributions	6,183,654	10,703,431	1,989,318	1,989,318
7811 Interfund Transfers In - from Funds 101-199	138,861	0	0	0
7812 Interfund Transfers In - from Funds 2AA-299	0	0	10,000,000	10,000,000
4802 Interfund Transfers Out - to Funds 2AA-299	(21,315,361)	(22,068,426)	(25,407,338)	(25,407,338)
Changes to Reserves - Encumbrance - (Inc)/Dec.	(7,331,704)	8,084,587	0	0
Changes to Reserves - Net Assets - Reserved (Inc)/Dec.	0	(8,367,220)	(1,543,347)	(1,543,347)
Changes to Reserves - Net Assets, Invested in Capital Assets, Net of Related Debt (Inc)/Dec.	(7,002,409)	(12,654,617)	0	0
Net Assets - Unrestricted Adjustment	(31,092)	(69,349)	0	0
<b>Increase (Decrease) in Net Assets - Unrestricted</b>	<b>5,637,787</b>	<b>13,650,146</b>	<b>(24,148,131)</b>	<b>(24,148,131)</b>
<b>Net Assets - Unrestricted - Beginning of Year</b>	<b>281,274</b>	<b>5,919,061</b>	<b>24,148,131</b>	<b>24,148,131</b>
<b>Net Assets - Unrestricted - End of Year</b>	<b>5,919,061</b>	<b>19,569,207</b>	<b>0</b>	<b>0</b>